

TOWN OF HAMPDEN

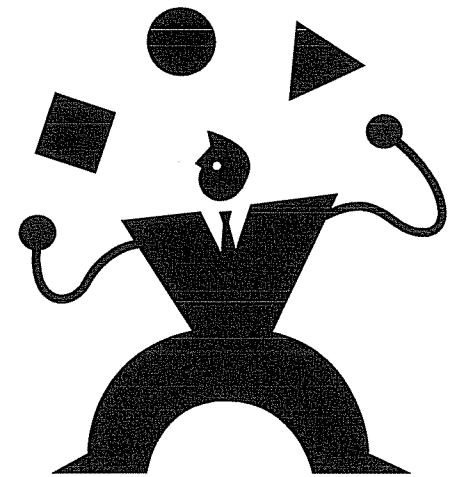
2012/2013

PROPOSED BUDGET

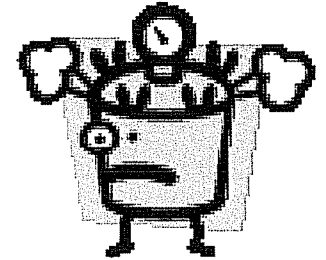
**INFORMATION &
EXPLANATION OF TOWN
FUNDING SOURCES**

BUDGET PRIORITIES

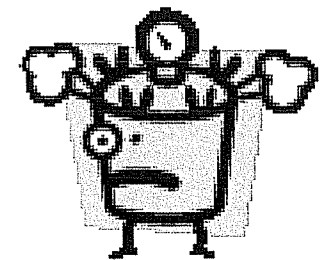
- STABLE TAX RATE
- RETAIN SERVICES
- MAINTAIN INFRASTRUCTURE
- FIND EFFICIENCIES
- NO LAYOFFS



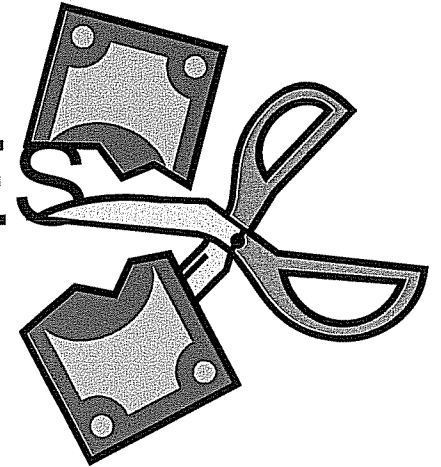
BUDGET PRESSURES



- STATE CUTBACKS IN REVENUE SHARING OF \$41,600
- DECLINE IN INVESTMENT INTEREST RATES
- GROWING POPULATION AND INFRASTRUCTURE NEEDS

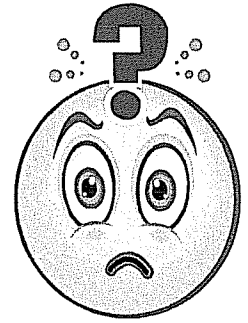


BUDGET PRESSURES



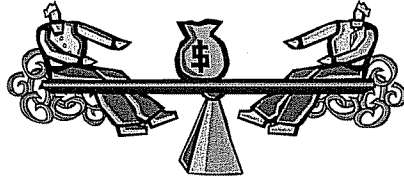
- **FUEL PRICE INCREASES**
- **COUNTY TAX INCREASE OF \$33,333.91**
- **SCHOOL BUDGET INCREASE OF \$117,000**
- **WORKER'S COMP INCREASE OF NEARLY \$10,000**
- **INCREASED LEGAL FEES OF \$20,760 OVER THE 2010/11 BUDGET**

BUDGET PRESSURES



- ADDITION OF LOCAL DEBT SERVICE FOR NEW HIGH SCHOOL
- IMPACT OF HAMPDEN ACADEMY RE-USE PROJECT

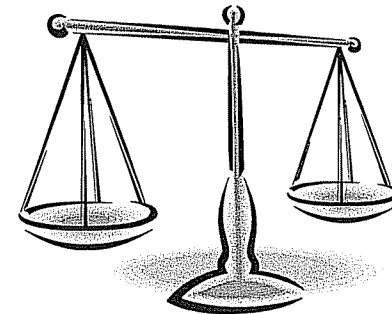
BUDGET STABILIZERS

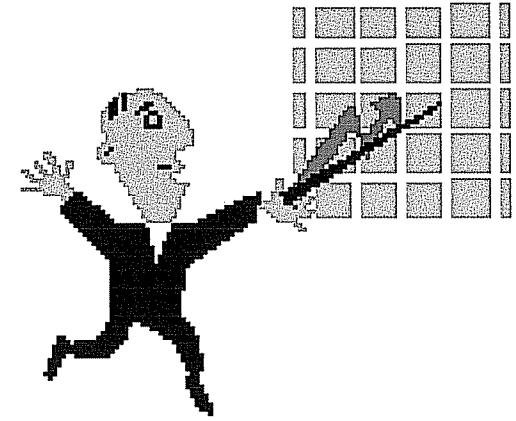
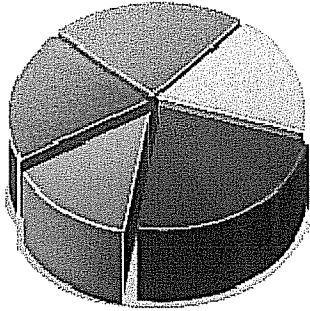


- FUNDING PUBLIC SAFETY RESERVES FROM CURRENT YEAR OPERATING FUNDS
- FUEL SAVINGS FROM NEW BOILERS AT THE MUNICIPAL BUILDING AND THE POOL
- SAVINGS FROM ELECTRICAL ENERGY CONTRACTS FOR TOWN

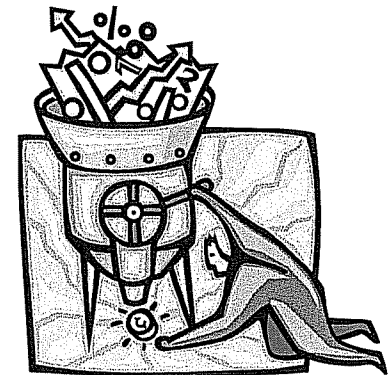
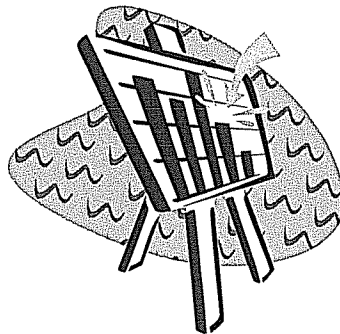
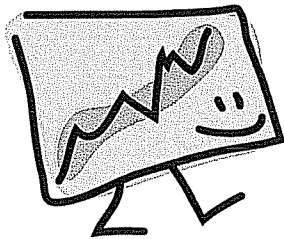
BUDGET STABILIZERS

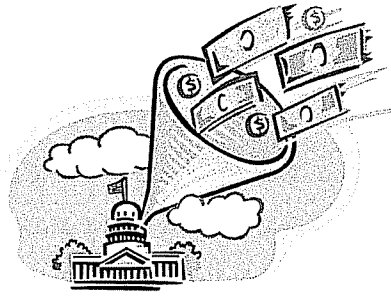
- MILD WINTER RESULTED IN BALANCES TO CARRY FORWARD IN PUBLIC WORKS FUEL ACCOUNT AND SALT ACCOUNT
- MARINA PARK COSTS TO BE BORNE BY CHEVRON GRANT



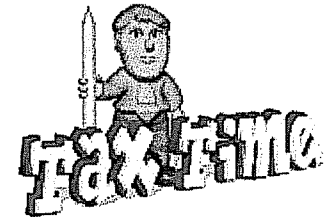


COMMUNITY STATISTICS



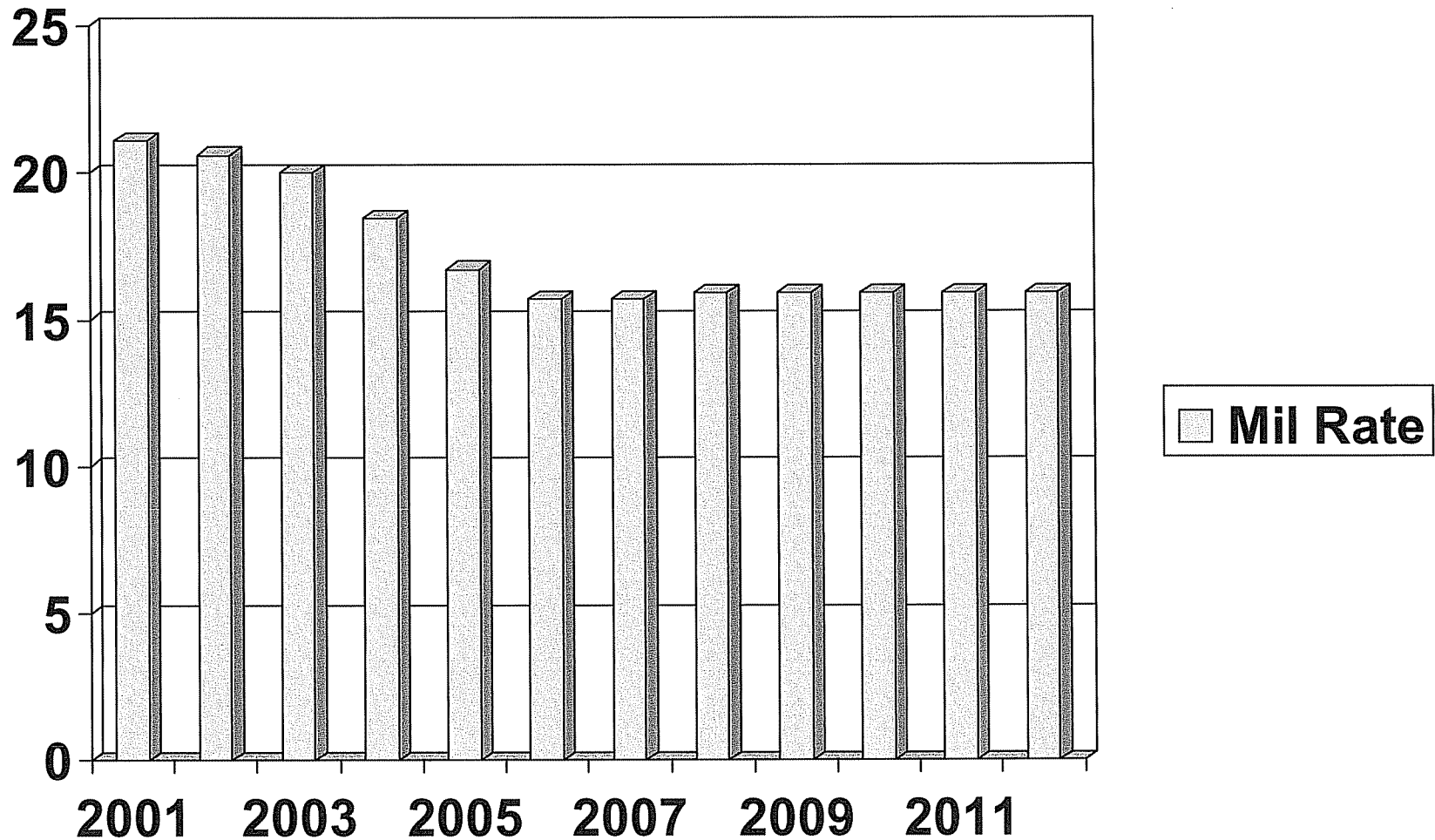


Mil Rate Information



- The following slide shows the mil rate history since 2001/2002. During that time, the mil rate dropped from a high of \$21.20/thousand to a low of \$15.70 in 2006. The mil rate has been maintained at \$15.90/thousand since the 2007/2008 budget year.

Mil Rate History - Hampden



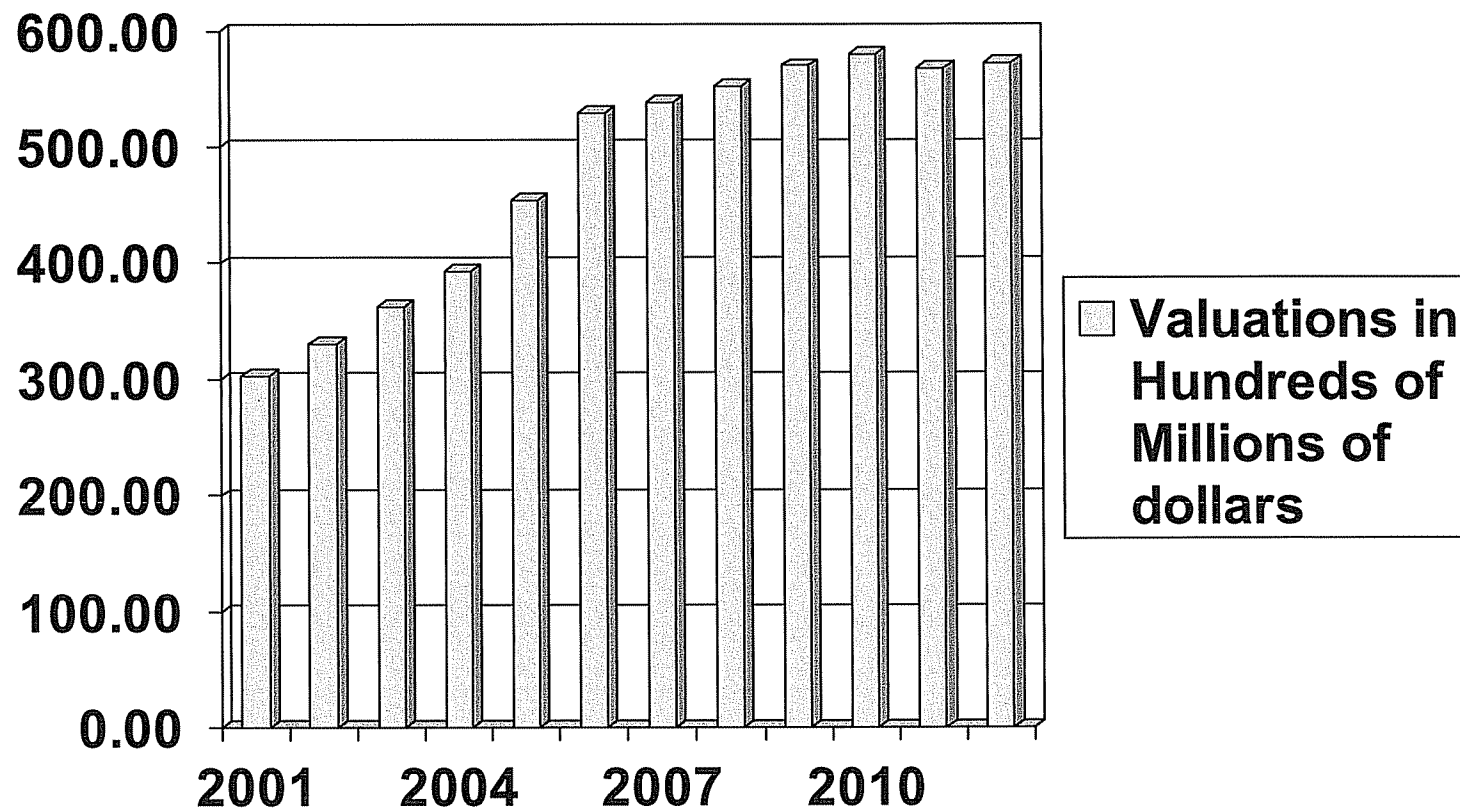


Valuation Growth

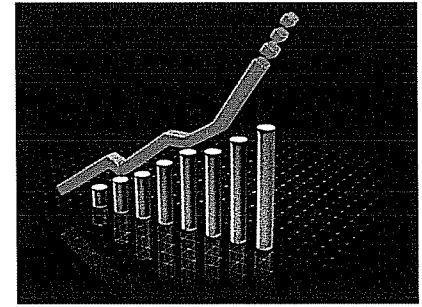


- Despite the economic recession, Hampden's valuation is stable as indicated by sales data compiled by the Assessor.
- This budget uses only value created from new construction as available for an offset to the budget.
- From 2001 to 2012, local valuation has grown by 89.3%. The valuation mix is 86% residential and 14% business.

Hampden Valuation History

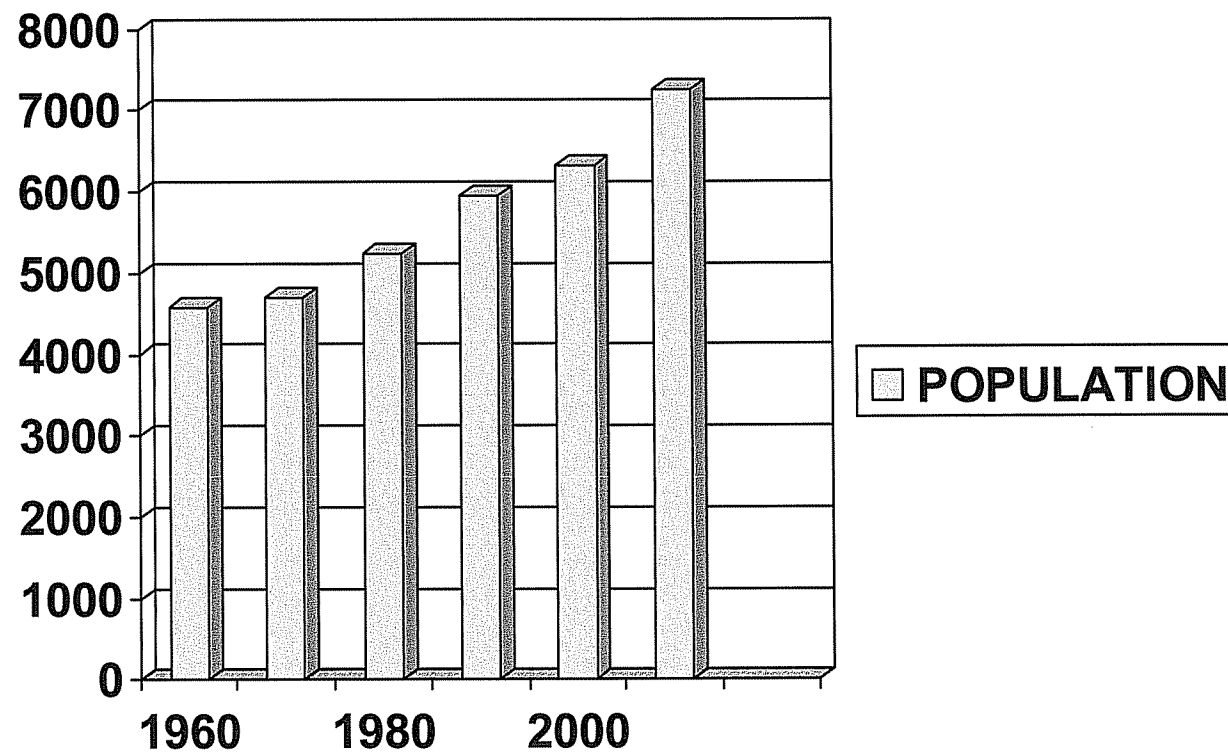


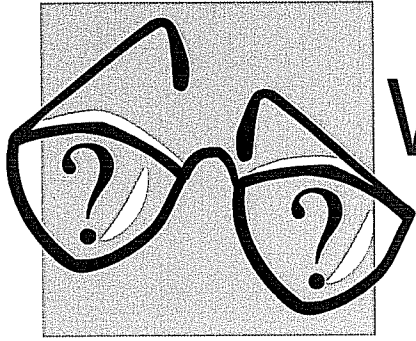
POPULATION



- THE FOLLOWING CHART SHOWS THE POPULATION GROWTH IN HAMPDEN FROM 1960 TO 2010. IT IS ONE OF THE FASTEST GROWING COMMUNITIES IN CENTRAL MAINE. IT HAS GROWN 58.3% SINCE 1960. THE CURRENT POPULATION OF HAMPDEN ACCORDING TO THE 2010 CENSUS IS 7,257.

POPULATION 1960-2010



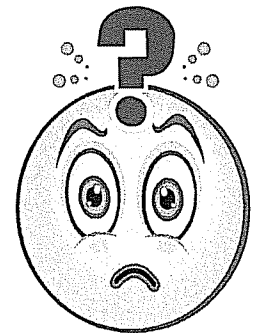


WHO IS THE POPULATION WE ARE SERVING?

- 1788 PEOPLE ARE UNDER THE AGE OF 18 (25%)
- 943 PEOPLE ARE OVER THE AGE OF 65 (13%)
- THE MEDIAN AGE IN HAMPDEN IS 40.8 YEARS,
- 42% OF ADULTS HAVE AT LEAST A BACHELORS DEGREE (26.5% STATEWIDE) AND 96.5% HAVE GRADUATED FROM HIGH SCHOOL (89.8% STATEWIDE)
- THERE ARE 3600 MALES AND 3657 FEMALES LIVING IN HAMPDEN

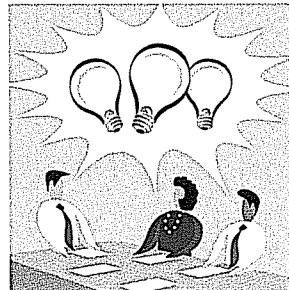
WHO IS THE POPULATION WE ARE SERVING?

- THERE ARE 3030 HOUSING UNITS IN HAMPDEN, 2862 WERE OCCUPIED AT THE TIME OF THE 2010 CENSUS. (94%)
- OF THOSE NOT OCCUPIED – 39 WERE FOR RENT, 29 WERE FOR SALE, 11 WERE SOLD BUT NOT OCCUPIED, AND 51% WERE SEASONAL. ONLY 37 WERE VACANT WITHOUT A STATED REASON (1.2%)



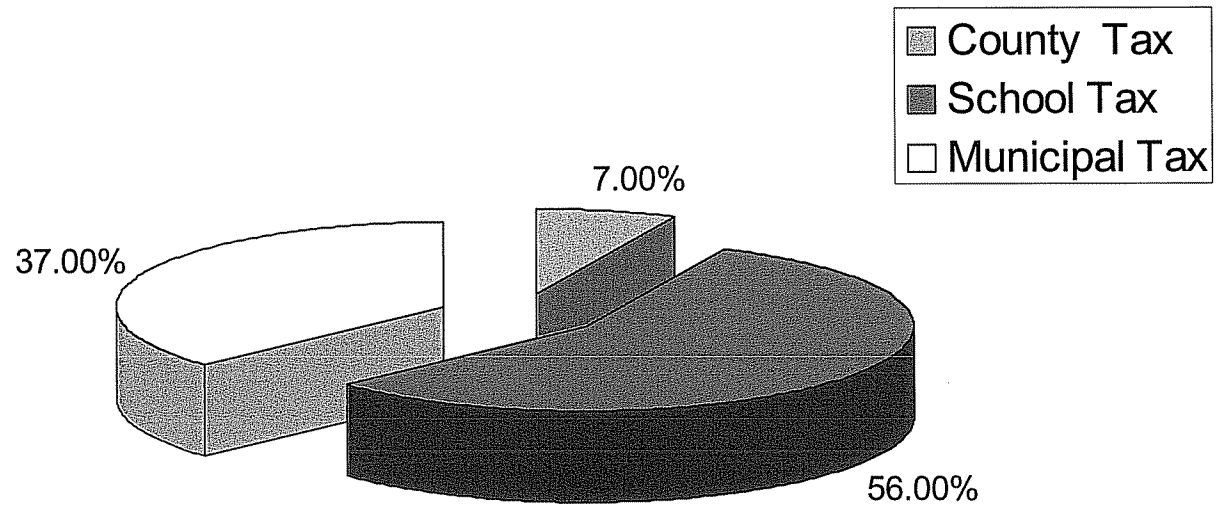
WHO IS THE POPULATION WE ARE SERVING?

- 3,371 PEOPLE IN HAMPDEN ARE BETWEEN THE AGES OF 20 AND 54 (46%)
- THERE ARE 2,862 HOUSEHOLDS IN HAMPDEN. 955 OF THEM HAVE CHILDREN LIVING IN THE HOME. (33.3%)
- MEDIAN HOUSEHOLD INCOME IN HAMPDEN IS \$84,358, COMPARED TO \$42,658 FOR PENOBSCOT COUNTY, AND \$46,933 FOR MAINE
- 5.5% OF HOUSEHOLDS BELOW POVERTY LEVEL



WHERE DOES YOUR MONEY GO?

Town Tax Dollar Breakdown



WHAT PAYS FOR WHAT?

- MUNICIPAL PROGRAMS ARE FUNDED FROM MANY SOURCES:
 - Property Taxes
 - Program Fees
 - Vehicle Excise Tax
 - State Revenue Sharing
 - Charges for services (such as ambulance fees)

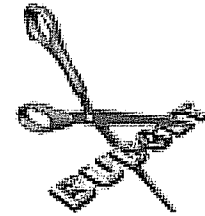


WHAT PAYS FOR WHAT?

- THE FOLLOWING SLIDES USE THE ADOPTED 11/12 BUDGET TO ILLUSTRATE WHAT REVENUE SOURCE PAYS FOR WHAT TOWN SERVICES.
- THE 2012/2013 BUDGET AS PROPOSED FOLLOWS THIS SAME FORMAT.



Budget/Funding

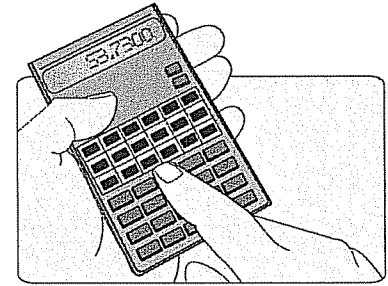


- Total 2011/2012 Budget: \$13,024,283
 - State Revenues (\$ 900,712)
 - Fund Balance Use (\$ 400,000)
 - Fees/Service Chgs (\$ 1,096,600)
 - Vehicle Excise Tax (\$ 1,500,000)
 - Reserve Use (\$ 25,000)

Amount Raised from

Property Taxes \$ 9,101,971

Property Taxes



- Property taxes are used to fund budget items that have no other funding source, or funding sources that are not sufficient to meet the budget amount.
- General State Revenues (Revenue Sharing, BETE Reimbursement, homestead exemption, veteran's exemption and fund balance use) totaled \$1,300,712, which reduces the property tax burden by 12.5 cents per Property Tax dollar.

Department Costs from Property Taxes (2011/2012)

- \$5,184,588 was paid to SAD #22 for the support of local education. that represents 56 cents of each property tax dollar raised
- County Taxes are also paid entirely from Property Tax dollars. In 2011/2012, \$662,172 was paid in County Taxes, that equals 7 cents of each property tax dollar raised.

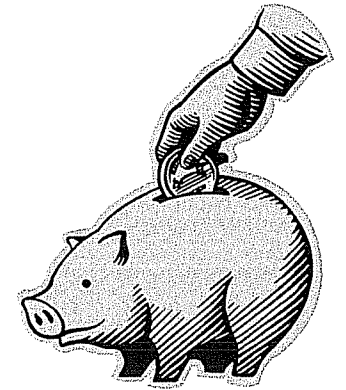


Department Costs from Property Taxes (2011/2012)

- Public Safety

Budget \$171,751 Revenues \$2,500

Amount from Property tax: \$169,251
(1.8 cents of each tax dollar)

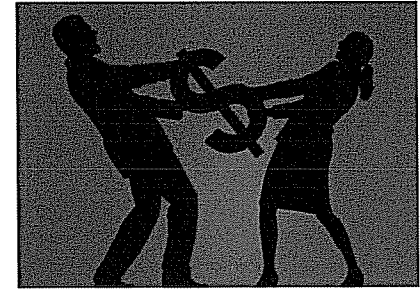


- Police

Budget \$1,010,777 Revenues \$122,000

Amount from Property tax: \$888,777
(9.7 cents of each tax dollar)

Department Costs from Property Taxes (2011/2012)



- Fire Department

Budget:\$926,324 Revenue \$180,000

Amount from Property Tax: \$746,324

(8.2 cents of each Property Tax Dollar)

- Administration (including Elections, Council, Tax Collector, GIS/IT)

Budget:\$711,708 Revenue \$369,500

Amount from Property Tax \$342,208

(3.8 cents on each Property Tax Dollar)

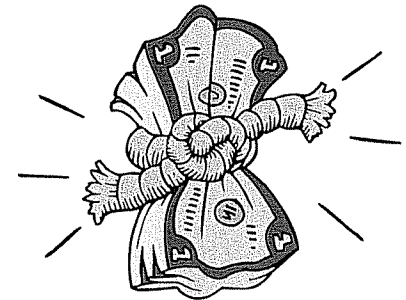
Department Costs from Property Taxes (2011/2012)

- Municipal Buildings & Non-Dept Utilities (including Town Garage & Town Office & hydrants and street lights)

Budget: \$603,964 Revenue: \$0

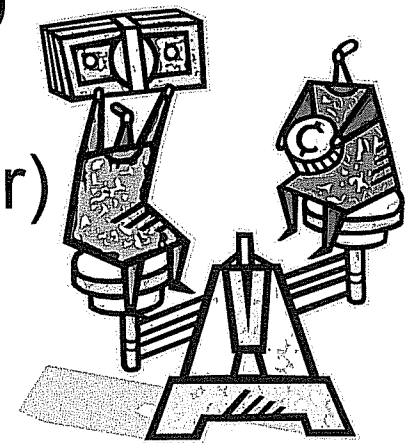
Amount from Property Tax: \$603,964

(6.6 Cents of each Property Tax Dollar)



Department Costs from Property Taxes (2011/2012)

- Solid Waste/Transfer Station:
Budget: \$383,482 Revenue: \$130,000
Amount from Property Tax: \$253,482
(2.8 cents of each Property Tax dollar)
- Planning/Assessing/Economic Development
Budget: \$342,700 Revenue: \$79,600
Amount from Property Tax: \$263,100
(2.9 cents of each Property Tax Dollar)



Department Costs from Property Taxes (2011/2012)

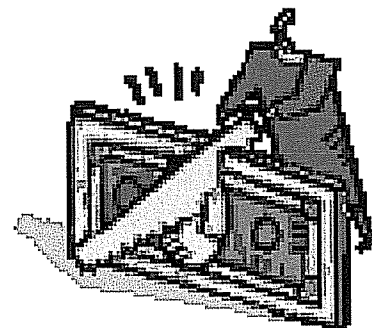
- Public Works/Cemeteries/Grounds

Budget: \$1,452,789

Revenue: \$1,514,000

Amount from Property Tax: \$(61,211)

(-.7 cents of each Property Tax Dollar)



Department Costs from Property Taxes (2011/2012)

- Recreation (Pool, Library, General)

Budget: \$708,763 Revenue: \$157,000

Amount from Property Tax: \$551,763

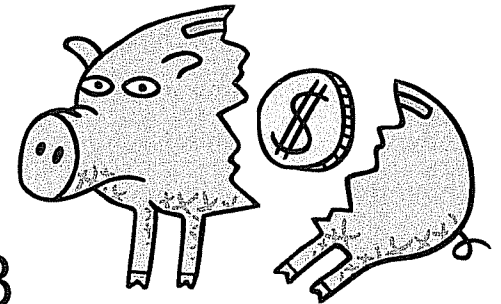
(6.0 cents of each Property Tax Dollar)

- Debt Service

Budget: \$403,688 Revenue: \$0

Amount from Property Tax: \$403,688

(4.3 cents of each Property Tax Dollar)



Department Costs from Property Taxes (2011/2012)

- Outside Agencies

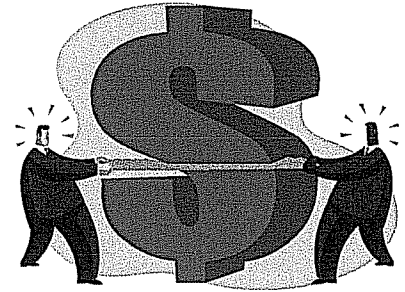
Budget: \$21,193 Revenues: \$0

Amount from Property Tax: \$21,193
(.2 cents of each Property Tax dollar)

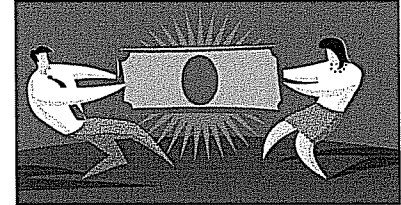
- General Assistance

Budget: \$10,000 Revenues: \$2,500

Amount from Property Tax: \$7,500
(.1 cent of each Property Tax Dollar)



Department Costs from Property Taxes (2011/2012)



- The Bus

Budget: \$72,000 Revenue: \$25,000

Amount from Property Tax: \$47,000

(.5 cents of each Property Tax dollar)

- Reserve Accounts

Budget: \$240,000 Revenues: \$0

Amount from Property Tax: \$240,000

(2.5 cents of each Property Tax dollar)

Department Costs from Property Taxes (2011/2012)

- TIF Payments

Budget: \$32,000 Revenues: \$ 0.

Amount from Property Tax: \$32,000

(.3 cents of each tax dollar



Overlay

Budget: \$55,817 Revenues: \$ 0

Amount from Property Tax: \$55,817

(.6 cents of each tax dollar)

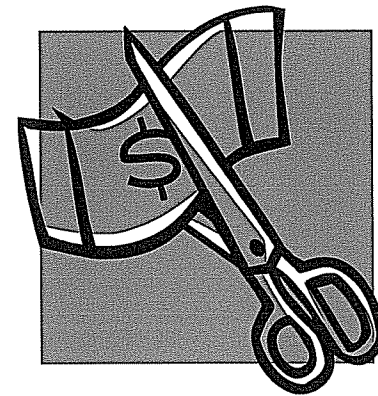
Department Costs from Property Taxes (2011/2012)

- Communications

Budget: \$30,567 Revenue: \$39,500

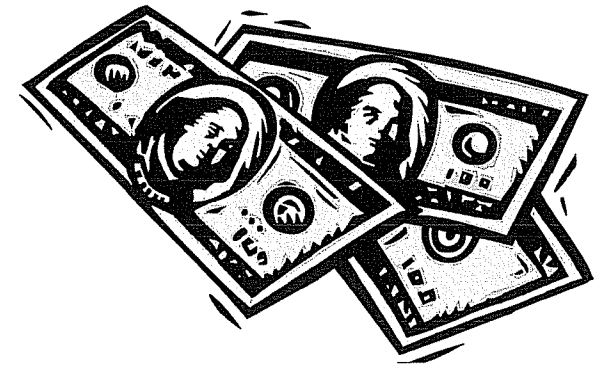
Amount from Property Tax: (\$8,933)

(-.1 cent from the property tax dollar)



RECAP – PER DOLLAR OF PROPERTY TAX

- Education 56 cents
- County 7 cents
- Public Safety 1.8 cents
- Police 9.7 cents
- Fire 8.2 cents
- Administration 3.8 cents
- Buildings/Utilities 6.6 cents
- Transfer Station 2.8 cents
- Plan/Assess/Ec Dev 2.9 cents
- Public Works/Cem (.7) cents



RECAP – PER DOLLAR OF PROPERTY TAX

- Recreation 6.0 cents
- Debt Service 4.3 cents
- Outside Agency .2 cents
- Gen Assistance .1 cent
- The Bus .5 cents
- Reserves 2.5 cents
- TIF Payments .3 cents
- Overlay .6 cents
- Communications (.1) cents

RECAP – PER DOLLAR OF PROPERTY TAX

- Total – all accounts 112.5 cents

- Credit of State Revenue

Sharing/BETE/Veteran's

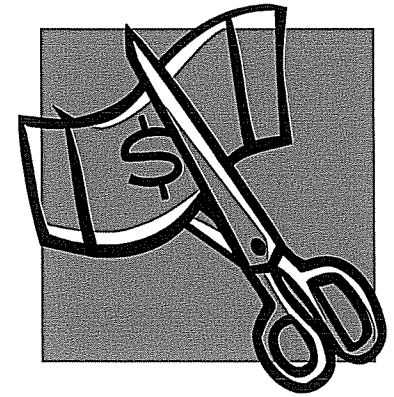
Exemption

(12.5 cents)

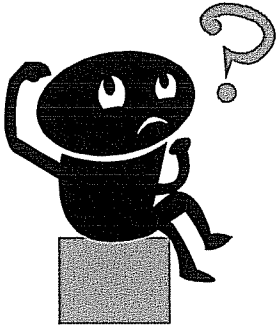
=

\$1.00 property tax
dollar





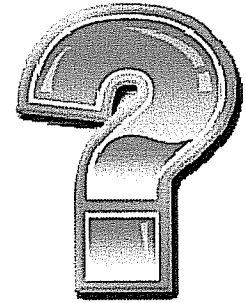
PROPOSED 2012/2013 BUDGET



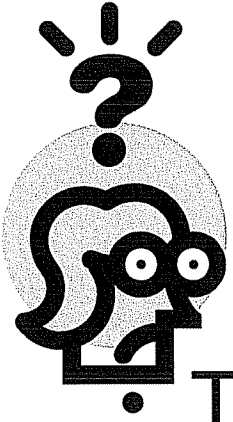
WHAT'S DIFFERENT?

- THE LURA HOIT POOL FUNDING WOULD BE STRUCTURED THE SAME AS THE RECREATION DEPARTMENT. TAXATION WOULD PAY FOR STAFFING AND BENEFIT COSTS - AND FEES WOULD BE USED TO PAY ALL OTHER POOL COSTS. THIS REDUCES THE OPERATING BUDGET BY \$114,295 AND ALLOWS REVENUES TO BE CARRIED FORWARD FROM YEAR TO YEAR FOR THE USE OF THE POOL.

WHAT'S DIFFERENT?



- REDUCTION IN PUBLIC WORKS LINE ITEMS RELATED TO FUEL AND SALT DUE TO CARRIED BALANCES AVAILABLE FOR OFFSETTING COSTS.
- MOVE ALL NON-SALARY AND BENEFIT ITEMS FROM RECREATION BUDGET TO ENTERPRISE BUDGET – BUDGETS NOW CONSISTENT FOR BOTH POOL AND RECREATION



WHAT'S MISSING?

• THERE IS NO PROPERTY TAX BUDGET FOR THE HAMPDEN ACADEMY RE-USE PROJECT. I AM RECOMMENDING THAT THE COUNCIL USE UP TO \$100,000 FROM HOST COMMUNITY BENEFIT FUNDS RECEIVED FROM PINE TREE LANDFILL TO TAKE CARE OF EXPENSES RELATED TO THAT PROPERTY FOR THE 2012/2013 YEAR.

BUDGET IMPACT – THE BOTTOM LINE



Total Gross Increase

	\$Increase	%Increase
Municipal Budget	\$ 43,064	.60%
RSU 22 Budget	\$115,374	2.22%
County Budget	\$ 33,134	5.00%
 Total	 \$191,572	 1.5%

BUDGET IMPACT – THE BOTTOM LINE

- Total budget Increases \$ 191,572
- Total New Valuation
@ Current Mil rate
(\$9 m.@ 15.9/thousand) \$ 143,100

Balance of budget increases

Not covered by new value \$ 48,472
(8 cents on the mil rate)



WHAT IS ALLOWED?

ACCORDING TO LD1 LEGISLATION, THE ALLOWABLE GROWTH IN THE MUNICIPAL BUDGET, WITHOUT EXCEEDING THE GROWTH LIMIT WOULD BE \$291,404. AS PRESENTED, THE MUNICIPAL BUDGET INCREASE IS \$ 43,064 – OR 15% OF THE LEGAL LIMIT.

